



GARY R. HERBERT

Governor

GREG BELL

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# State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER

Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA

Division Director

## Inspection Report

Permit Number:	C0070045
Inspection Type:	PARTIAL OVERSITE
Inspection Date:	Thursday, January 24, 2013
Start Date/Time:	1/24/2013 8:35:00 AM
End Date/Time:	1/24/2013 10:02:00 AM
Last Inspection:	Wednesday, December 05, 2012

Inspector: Pete Hess

Weather: Cold, 27 degrees F. Overcast; calm.

InspectionID Report Number: 3362

Accepted by: jhelfric

1/29/2013

Permitee: **HEADWATERS ENERGY SERVICES**

Operator: **HEADWATERS ENERGY SERVICES**

Site: **COVOL SITE**

Address: **10653 SOUTH RIVER FRONT PARKWAY, SUITE 300, SOUTH JORDAN UT 840**

County: **CARBON**

Permit Type: **PERMANENT COAL PROGRAM**

Permit Status: **ACTIVE**

### Current Acreages

30.00	Total Permitted
30.00	Total Disturbed
	Phase I
	Phase II
	Phase III

### Mineral Ownership

- ☐ Federal  
☐ State  
☐ County  
☐ Fee  
☐ Other

### Types of Operations

- ☐ Underground  
☐ Surface  
☐ Loadout  
☐ Processing  
☐ Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

The U.S. Department of the Interior, Office of Surface Mining Reclamation and Enforcement, Denver Field Division attended today's partial inspection of the COVOL site. Ms. Christina Hulsman, Environmental Compliance Specialist, and Ms. Lauren Mitchell, Environmental Scientist, represented OSMRE. Today's inspection was a Partial Oversight.

Inspector's Signature:

*Pete Hess*

Pete Hess,

Inspector ID Number: 46

Date

Thursday, January 24, 2013

Note: This inspection report was created by the Division of Oil, Gas and Mining. It is not to be used for any other purpose. The Division of Oil, Gas and Mining is not responsible for the accuracy of the information provided in this report. The Division of Oil, Gas and Mining is not responsible for the accuracy of the information provided in this report. The Division of Oil, Gas and Mining is not responsible for the accuracy of the information provided in this report.



OIL, GAS & MINING

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## Inspection Continuation Sheet

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### REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
  - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
  - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. Other	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**1. Permits, Change, Transfer, Renewal, Sale**

There are two permitting actions either in process or anticipated. A response to Division Order DO-12B which is relative to the sediment control in the 2.18 acres east of the western boundary chain link fence is due on January 28, 2013. The other permitting action is Task ID # 4249 which is a proposed operator change for the COVOL site. The submitted application proposes to release COVOL Engineered Fuels, LLC as the operator and make BRC Wellington, LLC and Bowie Refined Coal, LLC joint operators. Processing by DOGM is pending.

**2. Signs and Markers**

The Permittee will need to update the identification signs at the main gate and the office with new contact information for the new joint operators upon final approval by the Division of Task ID # 4249.

**3. Topsoil**

Both topsoil piles were inspected. The required topsoil storage signs were in place. The berms about the toe of each pile were effective.

**4.b Hydrologic Balance: Sediment Ponds and Impoundments**

Both ponds contained frozen ice accumulations in their bottoms. Mr. Rich White, P.E. of EarthFax Engineering performed the annual impoundment certifications during December 2012. There were no indications of instability or other hazards reported. The P.E. stamp was signed and dated in accordance with the requirements of R156-22-601.

**4.d Hydrologic Balance: Water Monitoring**

The site has one ground water monitoring well. Four quarterly samples were collected to establish baseline parameter levels; monitoring is not required until the site enters into the first year of the reclamation phase .

**9. Protection of Fish, Wildlife and Related Environmental Issues**

There was no smoke emanating from the coal pile; the Permittee notified the Division on January 10, 2013 that the stockpile fire was out.

**21. Bonding and Insurance**

The general liability insurance issued to COVOL remains in effect through October 1, 2013.

**22. Other**

A newspaper article in the Salt Lake Tribune of January 23, 2013 indicates that the COVOL Wellington site is one of eight that has been sold to Bowie Refined Coal and its affiliates.